

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

ANGIOSOLUTIONS, LLC,

Case No. 1:21-cv-

Plaintiff,

Hon.

v

BLOCK IMAGING INTERNATIONAL,
INC.;

Defendant.

James R. Peterson (P43102)
Neil J. Marchand (P73118)
MILLER JOHNSON
Attorneys for Plaintiff
45 Ottawa Ave. SW, Ste. 1100
Grand Rapids, MI 49503
(616) 831-1700
petersonj@millerjohnson.com
marchandn@millerjohnson.com

COMPLAINT

Plaintiff, AngioSolutions, LLC, for its Complaint against Defendant Block Imaging International, Inc., states:

PARTIES

1. Plaintiff, AngioSolutions, LLC, is a Delaware limited liability company with its principal place of business in New York, New York. None of the members of AngioSolutions, LLC is a citizen of the State of Michigan.

2. Defendant, Block Imaging International, Inc., is a Michigan corporation with its principal place of business located in Holt, Michigan.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the amount in controversy exceeds \$75,000 and the parties are citizens of different States.

4. This Court has personal jurisdiction over the Defendant because the Defendant is authorized and licensed to conduct business in Michigan and regularly transacts business in Michigan.

5. Venue is proper before this Court pursuant to 28 U.S.C. § 1391 because the Defendant resides in this District.

GENERAL ALLEGATIONS

6. AngioSolutions, LLC (“AngioSolutions”) is a physician-owned company that specializes in delivering mobile cardiac catheterization labs and outpatient-based labs to healthcare providers throughout the United States. AngioSolutions’ units have the latest floor mounted X-ray machines and flat panel technology to deliver quality and reliable angiographic products to the medical community.

7. In 2014, AngioSolutions purchased a 2007 Siemens AXIOM Artis dFA Cath & Angio machine (the “Mobile CVL”) from Block Imaging International, Inc. (“Block Imaging”). Units similar to the Mobile CVL are leased to healthcare providers at a present rate of \$30,000 per month.

8. In 2018 and early 2019, AngioSolutions had repairs performed on the Mobile CVL using materials purchased from Block Imaging that were then shipped to New York.

9. On AngioSolutions’ website, it quoted a \$30,000 monthly lease.

10. In June, 2019, AngioSolutions exhibited, presented and got some potential clients to lease the Mobile CVL, but the unit was not ready despite the fact that AngioSolutions had performed the necessary repairs using Block Imaging products

Block Imaging's Repairs and Experimentation on the Mobile CVL

11. In August 2019, AngioSolutions applied for a New York state permit to operate the X-ray machine on the Mobile CVL.

12. AngioSolutions obtained the registration number (NYS DOH Reg. no. 93000142). However it required a physicist calibration of the X-ray machine.

13. It did not pass the calibration. As a result, AngioSolutions contacted Block Imaging and obtained the clearance to go there.

14. In late 2019, AngioSolutions sent the Mobile CVL to Block Imaging for onsite repairs to address its failure to pass calibration. These repairs took approximately six weeks at a cost of \$108,797.20.

15. On December 2, 2019, AngioSolutions sent the non-X-ray portion of the Mobile CVL to Advanced Mobility for additional maintenance and repairs, e.g., HVAC and some electrical work. The X-ray portion of the machine remained on continuous shore power at Advanced Mobility, which is crucial for X-ray functionality.

16. On February 10, 2020, AngioSolutions brought back the Mobile CVL to Block Imaging so that Block Imaging could ensure the entire unit functioned properly prior to returning it to AngioSolutions in New York.

17. On March 10, 2020, Block Imaging asked AngioSolutions if AngioSolutions would allow Block Imaging to test a different X-ray tube on the Mobile CVL.

At the time of this request, Block Imaging stated, “In the event something were to happen, Block would take full responsibility.”

18. Based on Block Imaging’s representations, AngioSolutions consented to Block Imaging testing the X-ray tube on the Mobile CVL.

19. At the end of March, Block Imaging told AngioSolutions that the Mobile CVL was unable to communicate with the image processor, so Block Imaging was going to replace it “to see if we can get it up to reload software.”

AngioSolutions Loses a Buyer When the Mobile CVL Crashes

20. On March 23, 2021, a broker expressed interest in purchasing the Mobile CVL from AngioSolutions.

21. By May 3, 2021, a buyer offered AngioSolutions \$260,000 for the Mobile CVL, subject to inspection and the machine passing tests.

22. By this time, Block Imaging reported that all preventative maintenance was complete and the Mobile CVL was fully operational.

23. On May 7, 2021, the buyer arrived at Block Imaging’s facility to observe the Mobile CVL’s performance. When the buyer arrived, Block Imaging had an image of a cell phone on the Mobile CVL’s X-ray viewing monitor. The buyer asked Block Imaging to turn the Mobile CVL off and subsequently restart the machine. When Block Imaging did so, the X-ray portion of the Mobile CVL no longer worked. Despite Block Imaging’s efforts to restart the system, the system would not reboot and the X-ray tube rotor would not work.

24. Curiously, Block Imaging did not tell AngioSolutions about the Mobile CVL’s failure during the buyer’s visit. Instead, AngioSolutions heard the Mobile CVL crashed from the now-lost purchaser, who canceled the purchase agreement.

Block Imaging's Continued Failure to Repair the Mobile CVL

25. On May 21, 2021, AngioSolutions asked Block Imaging for an update on the status of the Mobile CVL's repairs – which Block Imaging had started 19 months earlier. Block Imaging said its technician would work on the Mobile CVL “next week.”

26. On May 26, 2021, Block Imaging issued a clearance to AngioSolutions to proceed with physics testing on the Mobile CVL, stating: “The system is fully functional and ready for physicist inspection. The owner of the equipment needs to schedule that. Please let me know when you have that scheduled and I will make sure he/she has access.”

27. On August 16, 2021, Medical Physics Consultants, Inc., a third-party medical physics consulting group, performed physics testing on the Mobile CVL while the unit was located at Block Imaging. Medical Physics Consultants provided a report to Block Imaging outlining several performance issues that arose during the physics tests, including auto-brightness/technique adjustment, dose rate fluctuations, intermittent failure to generate images in all modes, and persistent failure to operate in record mode.

28. Despite the fact that Block Imaging was copied on the report, it did not provide any comment on the failures.

29. On September 9, 2021, AngioSolutions asked Block Imaging why the Mobile CVL failed physics testing.

30. Five days later, Block Imaging inspected the Mobile CVL and concluded that the anode board failed again. Block Imaging stated that it “believes” the X-ray tube is causing the anode board to fail, and that both items should be replaced. These items had never been used, and thus failed without being put to the test of clinical imaging work.

31. From October 20, 2019 until recently, the Mobile CVL has been at Block Imaging “under repair.” During this time, Block Imaging has invoiced AngioSolutions \$197,890.09 to “fix” a machine that is still broken and continually fails in the same manner.

COUNT I - BREACH OF CONTRACT

32. Plaintiff incorporates by reference all preceding paragraphs.

33. AngioSolutions hired Block Imaging to perform repairs on the Mobile CVL.

34. Block Imaging agreed to repair the Mobile CVL and, to date, has invoiced AngioSolutions \$225,590.09 for said repairs.

35. AngioSolutions has paid Block Imaging’s repair invoices.

36. Additionally, Block Imaging agreed that it “would take full responsibility” for any damage to the Mobile CVL that resulted from Block Imaging’s X-ray tube experimentation using AngioSolutions’ Mobile CVL.

37. Upon information and belief, Block Imaging’s X-ray tube experimentation using the Mobile CVL damaged the Mobile CVL by, *inter alia*, causing an issue with the unit’s image processor.

38. Despite having over two years to repair the Mobile CVL, to date Block Imaging has failed to repair the Mobile CVL and deliver an operational unit to AngioSolutions.

39. Block Imaging’s failure to repair the Mobile CVL constitutes a breach of the parties’ service agreement and the terms under which AngioSolutions allowed Block Imaging to use the Mobile CVL for its own X-ray tube experimentation.

40. Block Imaging's breach of the parties' agreements has injured AngioSolutions in the form of a lost sale of the unit, lost lease income, damage to its reputation among potential future clients, and multiple invoices to replace the same parts.

41. AngioSolutions has suffered damages in an amount to be determined at trial and in excess of \$75,000 as a result of Block Imaging's breach of the parties' service agreement.

WHEREFORE, Plaintiff AngioSolutions, LLC requests that this Court grant a Judgment in its favor and against Defendant Block Imaging International, Inc. in an amount to be determined at trial, plus statutory and common law interest, attorneys' fees, and any other relief that this Court finds to be appropriate.

COUNT II – NEGLIGENCE

42. Plaintiff incorporates by reference all preceding paragraphs.

43. As a medical imaging equipment service provider and an ISO 9001:2008 certified company, Block Imaging owes a duty to AngioSolutions to perform repairs on the Mobile CVL in a competent and workmanlike manner.

44. Block Imaging also owes a duty to AngioSolutions to not damage the Mobile CVL during Block Imaging's use of the unit for its own X-ray tube experimentation.

45. Block Imaging has breached its duties to AngioSolutions by performing defective repairs and causing additional damage to the unit through its own experimentation.

46. As a direct and proximate result of Block Imaging's negligence, AngioSolutions has been injured and suffered damages.

47. AngioSolutions' damages exceed \$75,000.

WHEREFORE, Plaintiff AngioSolutions, LLC requests that this Court grant a Judgment in its favor and against Defendant Block Imaging International, Inc. in an amount to be determined at trial, plus statutory and common law interest, attorneys' fees, and any other relief that this Court finds to be appropriate.

MILLER JOHNSON
Attorneys for Plaintiff

Dated: December 22, 2021

By /s/ James R. Peterson
James R. Peterson (P43102)
Neil J. Marchand (P73118)
Business Address:
45 Ottawa Ave. SW, Suite 1100
Grand Rapids, MI 49503
(616) 831-1700
petersonj@millerjohnson.com
marchandn@millerjohnson.com